

CLASSIFICATION

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Approved For Release 2001/03/22 : CIA-RDP82-00457R003000

CENTRAL INTELLIGENCE AGENCY

REPORT NO.

INFORMATION REPORT
CONFIDENTIAL

CD NO.

COUNTRY Austria/USSR

DATE DISTR. 25 AUG 49

SUBJECT Soviet Shipments of Seamless Piping to Soviet
Oil Administration (SMV); Other SMV Developments

NO. OF PAGES 4

PLACE 25X1C

NO. OF ENCLS.
(LISTED BELOW)

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DATE OF INFO. 25X1A
25X1XSUPPLEMENT TO
REPORT NO.Shipments of Seamless Piping and Drilling Equipment

1. During the period from 2 May to 8 July 1949, the SMV received from the USSR shipments of seamless piping and drilling equipment weighing a total of 2,356,013 kilograms.* Most of the piping was shipped by rail from the Andreyeva Metallurgical plant in Taganrog, USSR, to the SMV Central Warehouse in Neusiedl. One carload of drill pipe and four carloads of seamless piping, weighing a total of 80 tons, were forwarded directly to the SMV warehouse in Dobermannsdorf. One barge loaded with 500 tons of seamless piping from Ismail, USSR, arrived at the SDGP docks for shipment to the SMV warehouse at Neusiedl. In addition the SMV received two carloads of barite, weighing a total of 40 tons, from the "Salba" Company in Lecco, Italy. The figures given below were allegedly copied from records of the SMV Purchasing Office.

Total Amount of Material Received from the USSR.

Drill pipe 6 5/8"	1,137,482 kilograms
Drill pipe 14"	302,281 "
Drill pipe 10 3/4"	438,980 "
Drill rods 6 5/8"	102,880 "
Drill rods 5 9/16"	121,610 "
Drill rods 4"	39,990 "
Casing pipe 2", 2 1/2", and 3"	212,790 "
Total	2,356,013 "

Amount of Equipment received by rail from the USSR

~~These shipments were shipped through Austria by steamships and forwarded to Neusiedl on written orders from the SMV purchasing official.~~

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ARMY #	AIR	FBI	

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Total

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Total

2. SMV Purchases

██████████ that since May 1949 there has been a marked reduction in the number of purchases made by the SMV Purchasing office, and work is virtually at a standstill. The following are some of the larger SMV purchases made during the period from 1 June to 12 July 1949.**

<u>Firm</u>	<u>Item Purchased</u>	<u>Payment in Schillings</u>
Ebenseer Solvaywerke	Caustic soda, lye, and soda	15,496.74
Schwarz & Maros	Electrical supplies	3,038.94
Siemens-Schuckert	Electrical supplies	12,000.00
	Rotary current condensers (Drehstrom Kondensatoren)	3,772.79
Elektrowerke Brixlegg G.m.b.H.	Barium Sulphate	11,960.00
Kellner & Kunz	Barite	11,700.00
	Tools	14,024.82
"Standard" Ges. fuer Techn. Artikel	Fan Belts	30,930.44
K. J. Baldauf	Construction materials	2,017.00

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1. All the above are correct. 2. All the above are incorrect. 3. All the above are correct. 4. All the above are incorrect.

"Regional" Ing. Teichner	Electrical material	4,581.19
Schoeller-Bleckmann	Pumps	10,000.00
Mannesmann-Traulz A.G.	Pressure rinsing pumps (Kraftspühlumpen), Winches, mobile rotary drilling equipment	1,765,477.99
	Gas pipe	6,439.24
	3 Diesel motors, (MAN and Deutz)	256,000.00
Richard Klinger	Brake lining	17,365.00
Soviet Military Bank	Reason for payment not stated	43,795.00
Donaue Chemie	Sulfuric acid	141,075.00
Othmar Graf Co., Aichelburg, Vienna XXI	Fire brick	6,639.92
"Canada" Tiefbohrgeräte und Maschinenfabrik G.m.b.H.	Production crosses and deep well pumps	131,649.00
Wiener Kabel- und Metallwerke A.G.	Lacquered wire	3,503.25

The first carload of Hydrochloric acid from Germany, which arrived on 8 July 1949 at Dobermannsdorf, is now being held by Austrian customs authorities because it was shipped without the required import permit. A second hydrochloric acid shipment is expected from Germany about 14 July 1949.

Allocation of Sulfuric Acid

4. During June 1949, no allocations of sulfuric acid were made to the Lobau, Moosbierbaum, Rumpel-Siebehirten, and "Okeros" refineries, and the Kledering refinery received only a small percentage of its usual allocation. About 1 [redacted] 1949, the SMV Kantgasse office sent large production orders, which are to be completed by the end of September, to the Kledering, "Okeros", Moosbierbaum and Nova refineries. The Shell and Vacuum refineries, which in the past few months have had practically no SMV orders, also received new production orders. [redacted] does not know the size of the quotas established in these orders. [redacted] estimates that production of these refineries will be doubled, because the amount of sulfuric acid scheduled for purchase by the SMV Purchasing Office during the next three months has been raised from an average of 165 tons per month to 300 to 350 tons per month.**** [redacted] assumes that the Korneuberg, Wifo-Lobau, and Lobau refineries have not been assigned new production quotas since they are not included in the new sulfuric acid allocations.

5. Although RYABININ, former SMV General Director, is now in Moscow, [redacted] states that his name is still carried on the Soviet personnel roster of the Schottengasse office. SMV Soviet employees state that RYABININ has received a policy level position in Moscow. Meanwhile, KASURA, Director of the SMV Purchasing Office, has returned to Vienna. [redacted] many SMV employees believed KASURA had been recalled permanently because of his consistent emphasis on an employee's ability rather than his Party membership.

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6. The Austrian Communist Party has established a central employment office in Vienna to hire personnel for USIA, SMV, and OROP offices and plants. According to source, non-Communists and other unqualified employees are to be replaced by workers selected through this office. The SMV continues to replace long-time employees with recent arrivals from Moscow, and although it is not yet clear what the future SMV organization will be, a number of SMV employees are now endeavoring to find positions within those SMV units which the Soviets are likely to retain after the occupation is withdrawn.*****

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* [REDACTED]
** [REDACTED]

*** Comment: This order of hydrochloric acid may have been required to supplement stocks recently used in treatments given to SMV wells at DEA I and Maustrenk.

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**** Comment: [REDACTED] refining orders is interesting in connection with account [REDACTED] regarding recent changes in the allocation of sulfuric acid to the Korneuberg, "Okeros", Shell, Vacuum, Nova, and Kledering refineries and the current shortage of sulfuric acid, because of a breakdown in the ovens for roasting pyrites at Donau Chemie,

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***** Comment: This information regarding the establishment of a Communist employment office confirms a previous report to the effect that SMV headquarters in conjunction with the KEOs are making a concerted effort to staff SMV units with reliable and competent Communists: see [REDACTED]

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